

House Amendment 1545

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1 1 Amend House File 498 as follows:
1 2 #1. By striking everything after the enacting
1 3 clause and inserting the following:
1 4 <DIVISION I
1 5 GENERAL ENERGY INDEPENDENCE PROVISIONS
1 6 Section 1. NEW SECTION. 7B.1 IOWA ENERGY
1 7 INDEPENDENCE ACT.
1 8 This chapter shall be known and may be cited as the
1 9 "Iowa Energy Independence Act".
1 10 Sec. 2. NEW SECTION. 7B.2 DEFINITIONS.
1 11 1. "Alternative and renewable energy" means energy
1 12 sources including but not limited to solar, wind
1 13 turbine, waste management, resource recovery,
1 14 recovered energy generation, refuse-derived fuel,
1 15 hydroelectric, agricultural crops or residues, and
1 16 woodburning, or relating to renewable fuel development
1 17 and distribution.
1 18 2. "Cellulosic biomass renewable fuel" means
1 19 renewable fuel derived from any lignocellulosic or
1 20 hemicellulosic matter that is available on a renewable
1 21 or recurring basis, including dedicated energy crops
1 22 and trees, wood and wood residues, plants, grasses,
1 23 agricultural residues, fibers, animal wastes, and
1 24 other waste material and municipal solid waste.
1 25 3. "Council" means the Iowa energy independence
1 26 advisory council established in section 7B.6.
1 27 4. "Director" means the director of the Iowa
1 28 energy independence office established in section
1 29 7B.4.
1 30 5. "Recovered energy generation" means a recycled
1 31 energy system, other than a system whose primary
1 32 purpose is the generation of electricity, which
1 33 produces electricity from currently unused waste heat
1 34 resulting from combustion or other processes and which
1 35 does not use an additional combustion process.
1 36 6. "Renewable fuel" means motor vehicle fuel that
1 37 meets any of the following conditions:
1 38 a. Is produced from grain, starch, oilseed,
1 39 vegetable, animal, or fish materials including fats,
1 40 greases, and oils, sugarcane, sugar beets, sugar
1 41 components, tobacco, potatoes, or other biomass, or is
1 42 natural gas produced from a biogas source including a
1 43 landfill, sewage waste treatment plant, feedlot, or
1 44 other place where decaying organic material is found.
1 45 b. Is used to replace or reduce the quantity of
1 46 fossil fuel present in a fuel mixture used to operate
1 47 a motor vehicle.
1 48 "Renewable fuel" includes cellulosic biomass
1 49 renewable fuel, waste-derived renewable fuel, and
1 50 biodiesel fuel and any blending components derived
2 1 from renewable fuel, provided that only the renewable
2 2 fuel portion of any such blending component shall be
2 3 considered part of the applicable volume under the
2 4 renewable fuel program.
2 5 Sec. 3. NEW SECTION. 7B.3 PURPOSE.
2 6 The purpose for establishing the Iowa energy
2 7 independence Act is to enhance the quality of life of
2 8 the citizens of this state through increasing the
2 9 autonomy of the state as a self-sufficient source of
2 10 nonresource-depleting alternative or renewable energy,
2 11 the independence of the state from reliance upon
2 12 foreign sources of energy, and the efficiency of the
2 13 state in maximizing opportunities to achieve energy
2 14 efficiency through energy conservation measures and
2 15 practices and economic growth and new job creation.
2 16 Sec. 4. NEW SECTION. 7B.4 IOWA ENERGY
2 17 INDEPENDENCE OFFICE.
2 18 1. An Iowa energy independence office is
2 19 established to accomplish the purpose stated in
2 20 section 7B.3. The director of the office shall be
2 21 appointed by the governor, subject to confirmation by
2 22 the senate, and shall serve at the pleasure of the
2 23 governor. If the office of the director becomes
2 24 vacant, the vacancy shall be filled in the same manner

2 25 as provided for the original appointment. The
2 26 director shall serve as the governor's advisor
2 27 regarding state energy policy, and in performing that
2 28 function, and in exercising the responsibilities set
2 29 forth in subsection 2, shall recognize and observe the
2 30 autonomy of state agencies in relation to matters
2 31 within their scope of authority and shall focus on
2 32 policy recommendations to the governor and the members
2 33 of the general assembly rather than prescriptive or
2 34 regulatory actions impacting state agencies. The
2 35 director may hire a deputy director and support staff.

2 36 2. In serving as the state energy policy advisor,
2 37 the director shall develop policy recommendations
2 38 based on a review or coordination of the following:

2 39 a. Activities of the Iowa energy independence
2 40 advisory council established in section 7B.6.

2 41 b. All programs relating to energy independence in
2 42 this state which receive state appropriations.

2 43 c. State agency opportunities to identify and
2 44 secure federal, state, private, and nonprofit
2 45 foundation funding for energy efficiency, alternative
2 46 and renewable energy, and advanced technology energy
2 47 research projects and to coordinate use of such funds.

2 48 d. Consultation with congressional delegations
2 49 regarding federal energy policy, grant criteria, and
2 50 fund allocation to ensure that this state receives an
3 1 appropriate share of federal funding.

3 2 e. Assistance to local governments, small
3 3 businesses, and community-based organizations in the
3 4 identification and securing of federal, state,
3 5 private, and nonprofit foundation funding for energy
3 6 efficiency, alternative and renewable energy
3 7 development, energy research, and other related energy
3 8 projects.

3 9 f. Preparation of the Iowa energy independence
3 10 plan as provided in section 7B.5.

3 11 g. Making presentations to private investors,
3 12 nonprofit foundations, and industry associations on
3 13 state programs for new alternative and renewable
3 14 energy technologies and investment opportunities in
3 15 research and technology deployment.

3 16 h. Formulation of recommendations to the governor
3 17 and the general assembly regarding changes in
3 18 programs, policies, legislation, and administrative
3 19 rules that may enhance state energy independence
3 20 efforts, including the elimination of programs or
3 21 transfer of programs to another agency.

3 22 i. Assistance with administration of the Iowa
3 23 power fund created in section 15J.1.

3 24 Sec. 5. NEW SECTION. 7B.5 IOWA ENERGY
3 25 INDEPENDENCE PLAN.

3 26 An Iowa energy independence plan shall be developed
3 27 by the director in association with public and private
3 28 partners selected by the director and with the
3 29 assistance of the Iowa energy independence advisory
3 30 council established in section 7B.6. The goal of the
3 31 plan shall be to achieve energy independence from
3 32 foreign sources of energy by 2025. The first plan
3 33 shall be submitted to the governor and the members of
3 34 the general assembly by December 15, 2007, with
3 35 subsequent plans to be submitted every five years
3 36 thereafter, or more often if deemed necessary by the
3 37 director. The plan shall identify how the state can
3 38 accomplish the following:

3 39 1. Maximizing use of emerging technologies to
3 40 enhance energy efficiency and conservation and develop
3 41 alternative and renewable energy sources.

3 42 2. Enhancing the development of the state's
3 43 bioeconomy including but not limited to state-based
3 44 bioengineering and biorefining.

3 45 3. Encouraging private industry to invest in the
3 46 development of the state's bioeconomy including but
3 47 not limited to the design, production, maintenance,
3 48 and repair of state-based facilities.

3 49 4. Balancing the interests of crop, biomass,
3 50 livestock producers, biofuel, and other bioproduct
4 1 manufacturers, consistent with sustainable land use,
4 2 soil conservation, clean air, water use, water supply,
4 3 and clean water practices.

4 4 5. Identifying the road, rail, pipeline, and other
4 5 infrastructure modifications needed to enhance state

4 6 energy independence efforts.
4 7 6. Developing recommendations regarding regulatory
4 8 policy including utility renewable portfolio
4 9 standards, greenhouse gas emission standards, building
4 10 code standards, improved compliance and enforcement,
4 11 elimination of unnecessary rules, and streamlined
4 12 permitting that may enhance state energy independence
4 13 efforts consistent with sustainable land use, soil
4 14 conservation, clean air, water use, water supply, and
4 15 clean water practices, and enforcement. The
4 16 recommendations shall include a cost analysis of the
4 17 recommended policy.

4 18 7. Enhancing state energy independence efforts
4 19 with assistance from public and private education
4 20 institutions.

4 21 8. Reviewing and assessing the effectiveness of
4 22 state programs, including financial assistance
4 23 programs and tax policies, in enhancing state energy
4 24 independence efforts.

4 25 9. Identifying strategies to increase
4 26 affordability of energy for the low-income population
4 27 in this state.

4 28 Sec. 6. NEW SECTION. 7B.6 IOWA ENERGY
4 29 INDEPENDENCE ADVISORY COUNCIL ESTABLISHED ==
4 30 MEMBERSHIP == DUTIES.

4 31 1. An Iowa energy independence advisory council is
4 32 created to assist the director in developing the Iowa
4 33 energy independence plan and to provide public energy
4 34 education and outreach. The council shall oversee and
4 35 coordinate energy efficiency and conservation efforts
4 36 for state agency facilities, in recognition of the
4 37 relative amount of goods and services consumed by
4 38 state government and the desirability of state
4 39 agencies leading by example in those efforts. Those
4 40 efforts shall be coordinated with the energy
4 41 efficiency programs established in sections 473.13A,
4 42 473.19, and 473.20A.

4 43 2. The council shall consist of thirteen members
4 44 appointed by the governor, subject to confirmation by
4 45 the senate, as follows:

4 46 a. One member representing the Iowa utilities
4 47 board.
4 48 b. One member representing the Iowa energy center.
4 49 c. One member representing the Iowa farm bureau.
4 50 d. One member representing investor-owned
5 1 utilities.
5 2 e. One member representing rural electric
5 3 cooperatives.
5 4 f. One member representing a municipal utility.
5 5 g. One member representing the office of consumer
5 6 advocate.
5 7 h. One member representing the Iowa environmental
5 8 council.

5 9 i. Five members representing associations,
5 10 organizations, or departments based in this state with
5 11 demonstrated experience in the fields of economic
5 12 development, biofuels, research and development,
5 13 business and industry, or energy commercialization.

5 14 Members appointed by the governor are subject to
5 15 the requirements of sections 69.16, 69.16A, and 69.19,
5 16 and shall serve three-year staggered terms.

5 17 The Iowa energy independence office shall provide
5 18 staffing support to the council.

5 19 3. The council shall advise the director regarding
5 20 the following:

5 21 a. Iowa energy independence plan development and
5 22 administration of the Iowa power fund created in
5 23 section 15J.1.

5 24 b. Review of the progress reports submitted by
5 25 state agencies as described in subsection 4 and
5 26 development of policy recommendations based on that
5 27 review.

5 28 c. Recommendations for programs that encourage
5 29 greater consumer acceptance of biofuels, energy
5 30 efficiency, and conservation.

5 31 d. Recommendations for a public education and
5 32 awareness campaign to ensure that all state citizens
5 33 can benefit from new alternative and renewable energy
5 34 programs, products, and investments.

5 35 e. Recommendations to enhance the energy bank
5 36 program established in section 473.19 and related

5 37 energy conservation and development provisions of
5 38 chapter 473 to increase the awareness of school
5 39 districts and local governments regarding energy
5 40 efficiency measures to save money and reduce their
5 41 overall energy consumption.
5 42 4. a. The council shall cooperate with the
5 43 department of natural resources in obtaining copies of
5 44 the energy efficiency progress reports submitted by
5 45 state agencies to the department pursuant to executive
5 46 order number 41, 2005. As required pursuant to that
5 47 executive order, the reports shall document state
5 48 agency efforts to achieve the following:
5 49 (1) Identification and implementation of energy
5 50 efficiency measures as provided in section 473.13A,
6 1 including the reduction in energy consumption per
6 2 square foot in all state-owned facilities by an
6 3 average of fifteen percent by 2010 relative to 2000
6 4 levels, and retention and reinvestment of energy
6 5 savings realized in facility infrastructure needs.
6 6 (2) Compliance with sections 72.5 and 470.8
6 7 relating to implementation of a life cycle cost
6 8 analysis for new public facility construction or
6 9 renovation and the purchase of lowest life cycle cost
6 10 equipment.
6 11 (3) Procurement of at least ten percent of the
6 12 electric consumption for state-owned facilities from
6 13 alternate energy production facilities, as defined in
6 14 section 476.42, by 2010.
6 15 (4) Procurement of one hundred percent of the
6 16 nonlaw enforcement, light-duty vehicles by 2010 in the
6 17 form of alternative fuel vehicles or hybrid-electric
6 18 vehicles; and operation of flexible fuel vehicles on
6 19 E-85 fuel whenever an E-85 fueling facility is
6 20 available.
6 21 (5) Assurance that all bulk diesel fuel procured
6 22 has at least ten percent renewable content by 2008,
6 23 and twenty percent by 2010 if available, and assurance
6 24 that diesel vehicles operate on biodiesel blends
6 25 whenever such blends are available.
6 26 b. The council shall conduct a review of the
6 27 reports submitted pursuant to paragraph "a", cooperate
6 28 with the department regarding feedback and
6 29 recommendations to each agency regarding progress to
6 30 date and suggestions for modifications, and shall
6 31 submit policy objectives and recommendations to the
6 32 director based on the review.
6 33 Sec. 7. Section 8A.321, Code 2007, is amended by
6 34 adding the following new subsection:
6 35 NEW SUBSECTION. 16. Review contracts for the
6 36 acquisition, construction, erection, alteration, or
6 37 repair of buildings and grounds for use by state
6 38 agencies pursuant to this section to ensure compliance
6 39 with state building code modifications and energy
6 40 efficiency standards incorporated into the Iowa energy
6 41 independence plan pursuant to section 7B.5, subsection
6 42 6.
6 43 Sec. 8. Section 8A.362, subsection 5, unnumbered
6 44 paragraph 1, Code 2007, is amended to read as follows:
6 45 ~~Of all All new passenger vehicles and light pickup~~
6 46 ~~trucks purchased by the director, a minimum of ten~~

6 47 ~~percent of all such vehicles and trucks purchased~~
6 48 shall be equipped with engines which utilize
6 49 alternative methods of propulsion including but not
6 50 limited to any of the following:
7 1 Sec. 9. Section 8A.362, subsection 9, Code 2007,
7 2 is amended to read as follows:
7 3 9. a. All fuel used in state-owned automobiles
7 4 shall be purchased at cost from the various
7 5 installations or garages of the state department of
7 6 transportation, state board of regents, department of
7 7 human services, or state motor pools throughout the
7 8 state, unless the state-owned sources for the purchase
7 9 of fuel are not reasonably accessible. If the
7 10 director determines that state-owned sources for the
7 11 purchase of fuel are not reasonably accessible, the
7 12 director shall authorize the purchase of fuel from
7 13 other sources. The director may prescribe a manner,
7 14 other than the use of the revolving fund, in which the
7 15 purchase of fuel from state-owned sources is charged
7 16 to the state agency responsible for the use of the
7 17 motor vehicle. The director shall prescribe the

7 18 manner in which oil and other normal motor vehicle
7 19 maintenance for state-owned motor vehicles may be
7 20 purchased from private sources, if they cannot be
7 21 reasonably obtained from a state motor pool. The
7 22 director may advertise for bids and award contracts in
7 23 accordance with competitive bidding procedures for
7 24 items and services as provided in this subchapter for
7 25 furnishing fuel, oil, grease, and vehicle replacement
7 26 parts for all state-owned motor vehicles. The
7 27 director and other state agencies, when advertising
7 28 for bids for gasoline, shall also seek bids for
7 29 ethanol blended gasoline.

7 30 b. Installations or garages of the state
7 31 department of transportation, state board of regents,
7 32 department of human services, or state motor pools
7 33 throughout the state, shall be equipped with motor
7 34 fuel storage and dispensing infrastructure in the form
7 35 of a tank and motor fuel pumps necessary to keep and
7 36 dispense E-85 gasoline by 2009. Each state agency
7 37 with the responsibility to maintain and assign
7 38 state-owned vehicles and trucks shall by rule
7 39 establish E-85 gasoline usage standards applicable to
7 40 state employees driving or operating state-owned
7 41 vehicles and trucks other than vehicles and trucks
7 42 purchased and directly used for law enforcement or
7 43 purchased and used for off-road maintenance work or to
7 44 pull loaded trailers.

7 45 Sec. 10. Section 15.103, subsection 1, paragraph
7 46 a, Code 2007, is amended to read as follows:

7 47 a. The Iowa economic development board is created,
7 48 consisting of fifteen voting members appointed by the
7 49 governor and ~~seven~~ eight ex officio, nonvoting
7 50 members. The ex officio, nonvoting members are four
8 1 legislative members; one president, or the president's
8 2 designee, of the university of northern Iowa, the
8 3 university of Iowa, or Iowa state university of
8 4 science and technology designated by the state board
8 5 of regents on a rotating basis; and one president, or
8 6 the president's designee, of a private college or
8 7 university appointed by the Iowa association of
8 8 independent colleges and universities; ~~and~~ one
8 9 superintendent, or the superintendent's designee, of a
8 10 community college, appointed by the Iowa association
8 11 of community college presidents; and the director of
8 12 the Iowa energy independence office established in
8 13 section 7B.4. The legislative members are two state

8 14 senators, one appointed by the president of the
8 15 senate, after consultation with the majority leader of
8 16 the senate, and one appointed by the minority leader
8 17 of the senate, after consultation with the president
8 18 of the senate, from their respective parties; and two
8 19 state representatives, one appointed by the speaker
8 20 and one appointed by the minority leader of the house
8 21 of representatives from their respective parties. Not
8 22 more than eight of the voting members shall be from
8 23 the same political party. Beginning with the first
8 24 appointment to the board made after July 1, 2005, at
8 25 least one voting member shall have been less than
8 26 thirty years of age at the time of appointment. The
8 27 governor shall appoint the voting members of the board
8 28 for a term of four years beginning and ending as
8 29 provided by section 69.19, subject to confirmation by
8 30 the senate, and the governor's appointments shall
8 31 include persons knowledgeable of the various elements
8 32 of the department's responsibilities.

8 33 Sec. 11. NEW SECTION. 15J.1 IOWA POWER FUND.

8 34 1. An Iowa power fund is created in the state
8 35 treasury under the control of the department of
8 36 economic development. Moneys in the fund are not
8 37 subject to section 8.33. Notwithstanding section
8 38 12C.7, interest or earnings on moneys in the fund
8 39 shall be credited to the fund. The fund shall be
8 40 administered by the department, which shall make
8 41 expenditures from the fund consistent with this
8 42 section and pertinent Acts of the general assembly in
8 43 coordination with the director of the Iowa energy
8 44 independence office established in section 7B.4, and
8 45 with the assistance of the Iowa energy independence
8 46 advisory council established in section 7B.6.

8 47 2. The purpose of the fund shall be to further the
8 48 goals of increasing the production and use of biofuels

8 49 and other renewable sources of energy, improving
8 50 energy efficiency, reducing greenhouse gas emissions,
9 1 and achieving energy independence for this state.
9 2 Distributions from the fund shall assist in the
9 3 achievement of these goals by accelerating research
9 4 and development, the transfer of knowledge,
9 5 technological innovations, improved economic
9 6 competitiveness, and the demand for and public
9 7 education in utilization of technological innovations
9 8 and approaches leading to energy efficiency.

9 9 3. The department, in consultation with the
9 10 director of the Iowa energy independence office and
9 11 the Iowa energy independence advisory council, shall
9 12 adopt rules specifying a request for proposals process
9 13 for making fund distributions to applicants located in
9 14 this state pledging to invest in the creation or
9 15 enhancement of alternative or renewable energy
9 16 research, production facilities, and jobs.
9 17 Distributions shall commence by December 2007.
9 18 Applicants shall commit to the following:

9 19 a. Assurance that state funding received shall be
9 20 matched by the applicant for venture capital and
9 21 business start-up expenses.

9 22 b. Provision of sufficient wages and benefits to
9 23 employees to provide an incentive to attract and
9 24 retain qualified employees.

9 25 c. Investment and expansion of existing or future
9 26 management functions and manufacturing plant locations
9 27 in this state, to the extent applicable.

9 28 4. The department may reclaim any state funds
9 29 invested if the commitments set forth in subsection 3
9 30 are not honored by an applicant receiving a
9 31 distribution from the fund, pursuant to procedures to
9 32 be adopted by rule.

9 33 Notwithstanding subsections 3 and 4, the
9 34 department, in consultation with the director of the
9 35 Iowa energy independence office and the Iowa energy
9 36 independence advisory council, may allocate moneys
9 37 from the Iowa power fund as follows:

9 38 a. To any city, county, or political subdivision
9 39 participating in the energy city designation program
9 40 administered by the department of natural resources.

9 41 b. To the division of community action agencies of
9 42 the department of human rights for the establishment
9 43 of an energy utility assessment and resolution program
9 44 administered by each community action agency for
9 45 persons with low incomes who have or need a deferred
9 46 payment agreement or are in need of an emergency fuel
9 47 delivery to address home energy utility costs.

9 48 Sec. 12. Section 103A.8A, Code 2007, is amended to
9 49 read as follows:

9 50 103A.8A ENERGY CONSERVATION REQUIREMENTS.

10 1 The state building code commissioner shall adopt as
10 2 a part of the state building code a requirement that
10 3 new single-family or two-family residential
10 4 construction shall comply with energy conservation
10 5 requirements. The requirements adopted by the
10 6 commissioner shall be based upon a nationally
10 7 recognized standard or code for energy conservation.
10 8 The requirements shall only apply to single-family or
10 9 two-family residential construction commenced after
10 10 the adoption of the requirements. ~~This chapter shall~~
~~10 11 not be construed to prohibit a governmental~~
~~10 12 subdivision from adopting or enacting a minimum energy~~
~~10 13 standard which is substantially in accordance and~~
~~10 14 consistent with energy codes and standards developed~~
~~10 15 by a nationally recognized organization in effect on~~
~~10 16 or after July 1, 2002. A governmental subdivision~~
~~10 17 that adopts or enacts a minimum energy standard which~~
~~10 18 is substantially in accordance and consistent with~~
~~10 19 energy codes and standards developed by a nationally~~
~~10 20 recognized organization shall adopt or enact any~~
~~10 21 update or revision to the energy codes and standards.~~
~~10 22 Notwithstanding any other provision of this chapter to~~
~~10 23 the contrary, the energy conservation requirements~~
~~10 24 adopted by the commissioner and approved by the~~
~~10 25 council shall apply to new single-family or two-family~~
~~10 26 residential construction commenced on or after July 1,~~
~~10 27 2007, and shall supersede and replace any minimum~~
~~10 28 requirements for energy conservation adopted or~~
~~10 29 enacted by the governmental subdivision prior to that~~

10 30 date applicable to such construction. The
10 31 commissioner may provide training to builders,
10 32 contractors, and other interested persons on the
10 33 adopted energy conservation requirements.

10 34 Sec. 13. Section 103A.10, subsection 4, paragraph
10 35 a, Code 2007, is amended to read as follows:
10 36 a. Provisions of the state building code
10 37 establishing thermal efficiency energy conservation
10 38 standards shall be applicable to all new construction
10 39 ~~owned by the state, an agency of the state or a~~
10 40 ~~political subdivision of the state, to all new~~
10 41 ~~construction located in a governmental subdivision~~
10 42 ~~which has adopted either the state building code or a~~
10 43 ~~local building code or compilation of requirements for~~
10 44 ~~building construction and to all other new~~
10 45 ~~construction in the state which will contain more than~~
10 46 ~~one hundred thousand cubic feet of enclosed space that~~
10 47 is heated or cooled.

10 48 Sec. 14. Section 103A.10, subsection 5, Code 2007,
10 49 is amended by striking the subsection and inserting in
10 50 lieu thereof the following:

11 1 5. Notwithstanding any other provision of this
11 2 chapter to the contrary, the energy conservation
11 3 requirements adopted by the commissioner and approved
11 4 by the council shall apply to all new construction
11 5 commenced on or after July 1, 2007, and shall
11 6 supersede and replace any minimum requirements for
11 7 energy conservation adopted or enacted by the
11 8 governmental subdivision prior to that date and
11 9 applicable to such construction.

11 10 Sec. 15. Section 103A.19, unnumbered paragraph 1,
11 11 Code 2007, is amended to read as follows:
11 12 The examination and approval or disapproval of
11 13 plans and specifications, the issuance and revocation
11 14 of building permits, licenses, certificates, and
11 15 similar documents, the inspection of buildings or
11 16 structures, and the administration and enforcement of
11 17 building regulations shall be the responsibility of
11 18 the governmental subdivisions of the state and shall
11 19 be administered and enforced in the manner prescribed
11 20 by local law or ordinance. All provisions of law
11 21 relating to the administration and enforcement of
11 22 local building regulations in any governmental
11 23 subdivision shall be applicable to the administration
11 24 and enforcement of the state building code in the
11 25 governmental subdivision. An application made to a
11 26 local building department or to a state agency for
11 27 permission to construct a building or structure
11 28 pursuant to the provisions of the state building code
11 29 shall, in addition to any other requirement, be signed
11 30 by the owner or the owner's authorized agent, and
11 31 shall contain the address of the owner, and a
11 32 statement that the application is made for permission
11 33 to construct in accordance with the provisions of the
11 34 code. The application shall also specifically include
11 35 a statement that the construction will be in
11 36 accordance with all applicable energy conservation
11 37 requirements.

11 38 Sec. 16. Section 103A.19, Code 2007, is amended by
11 39 adding the following new unnumbered paragraph:
11 40 NEW UNNUMBERED PARAGRAPH. On or before December
11 41 31, 2008, each governmental subdivision of the state
11 42 shall report to the commissioner on the status of the
11 43 governmental subdivision's efforts to enforce
11 44 applicable energy conservation requirements, including
11 45 a statement of whether the requirements are being
11 46 enforced within the jurisdiction, the number of staff
11 47 who are trained to enforce the requirements, and the
11 48 number of buildings and structures that have been
11 49 found not to comply with the requirements during the
11 50 routine inspection of buildings and structures

12 1 conducted since July 1, 2007. The report shall be
12 2 made to the commissioner on a form prescribed by the
12 3 commissioner. The commissioner shall make the form
12 4 available both in a paper copy and electronically and
12 5 shall provide that submission of the form may be made
12 6 either in a paper copy or electronically.

12 7 Sec. 17. Section 103A.22, subsection 1, Code 2007,
12 8 is amended to read as follows:
12 9 1. Nothing in this chapter shall be construed as
12 10 prohibiting any governmental subdivision from adopting

12 11 or enacting any building regulations relating to any
12 12 building or structure within its limits, but a
12 13 governmental subdivision in which the state building
12 14 code has been accepted and is applicable shall not
12 15 have the power to supersede, void, or repeal or make
12 16 more restrictive any of the provisions of this chapter
12 17 or of the rules adopted by the commissioner. This
12 18 subsection shall not apply to energy conservation

~~12 19 requirements adopted by the commissioner and approved~~
~~12 20 by the council pursuant to section 103A.8A or 103A.10.~~

12 21 Sec. 18. Section 266.39C, subsection 3, Code 2007,
12 22 is amended to read as follows:

12 23 3. Iowa state university of science and technology
12 24 shall employ a director for the center, who shall be
12 25 appointed by the president of Iowa state university of
12 26 science and technology. The director of the center
12 27 shall employ necessary research and support staff.
12 28 The director and staff shall be employees of Iowa
12 29 state university of science and technology. ~~No more~~

~~12 30 than seven hundred thousand dollars of the funds made~~
~~12 31 available by appropriation from state revenues in any~~
~~12 32 one year shall be expended by the center for the~~
~~12 33 salaries and benefits of the employees of the center,~~
~~12 34 including the salary and benefits of the director.~~
~~12 35 The limit on expenditures for salaries and benefits~~
~~12 36 shall be adjusted annually by a percentage equal to~~
~~12 37 the average percentage salary adjustment approved~~
~~12 38 annually by the state board of regents for~~
~~12 39 professional and scientific employees at Iowa state~~
~~12 40 university of science and technology. The remainder~~
~~12 41 of the funds appropriated from state funds Funds~~

12 42 appropriated to the center shall be used to sponsor
12 43 research grants and projects submitted on a
12 44 competitive basis by Iowa colleges and universities
12 45 and private nonprofit agencies and foundations, and
12 46 for the salaries and benefits of the employees of the
12 47 center. The center may also solicit additional grants
12 48 and funding from public and private nonprofit agencies
12 49 and foundations.

12 50 Sec. 19. Section 476.6, subsection 14, Code 2007,
13 1 is amended to read as follows:

13 2 14. ENERGY EFFICIENCY PLANS. Electric and gas
13 3 public utilities shall offer energy efficiency
13 4 programs to their customers through energy efficiency
13 5 plans. An energy efficiency plan as a whole shall be
13 6 cost-effective. In determining the cost-effectiveness
13 7 of an energy efficiency plan, the board shall apply
13 8 the societal test, utility cost test, rate-payer
13 9 impact test, and participant test. Energy efficiency
13 10 programs for qualified low-income persons and for tree
13 11 planting programs, educational programs, and

~~13 12 assessments of consumers' needs for information to~~
~~13 13 make effective choices regarding energy use and energy~~
~~13 14 efficiency need not be cost-effective and shall not be~~
13 15 considered in determining cost-effectiveness of plans
13 16 as a whole. The energy efficiency programs in the
13 17 plans may be provided by the utility or by a
13 18 contractor or agent of the utility. Programs offered
13 19 pursuant to this subsection by gas and electric
13 20 utilities that are required to be rate-regulated shall
13 21 require board approval.

13 22 Sec. 20. Section 476.6, Code 2007, is amended by
13 23 adding the following new subsection:

13 24 NEW SUBSECTION. 18A. ALTERNATIVE AND RENEWABLE
13 25 ENERGY OBJECTIVE.

13 26 1. To attain the goal of energy independence, each
13 27 electric utility shall make a good faith effort to
13 28 generate or procure electricity from sources of
13 29 alternative and renewable energy as defined in section
13 30 7B.2 for provision to retail consumers.

13 31 2. Each electric utility shall report on its
13 32 plans, activities, and progress in meeting the
13 33 objective specified in subsection 1 either in filings
13 34 required to be submitted to the board, or in a
13 35 separate report submitted to the board on an annual
13 36 basis, demonstrating to the board that the utility is
13 37 making the required good faith effort. The filings or
13 38 report shall contain a description of the following:

13 39 a. Status of the utility's alternative and
13 40 renewable energy mix relative to the utility's stated
13 41 objective.

13 42 b. Efforts being undertaken to meet the objective.
13 43 c. Obstacles encountered or anticipated in meeting
13 44 the objective and their potential solutions.
13 45 3. The board shall submit an annual report based
13 46 on the information submitted in subsection 2 to the
13 47 director of the Iowa energy independence office
13 48 established in section 7B.4, and to the chairpersons
13 49 of the senate and house of representatives committees
13 50 with jurisdiction over energy and environmental policy
14 1 issues regarding progress made by electric utilities
14 2 in this state in increasing the amount of alternative
14 3 and renewable energy used to provide electricity to
14 4 retail customers.

14 5 Sec. 21. Section 476.46, subsection 2, paragraph
14 6 d, subparagraph (2), Code 2007, is amended to read as
14 7 follows:

14 8 (2) A facility shall be eligible for no more than
14 9 ~~two hundred fifty thousand~~ one million dollars in
14 10 loans outstanding at any time under this program.

14 11 Sec. 22. Section 476.47, subsection 2, Code 2007,
14 12 is amended by adding the following new paragraph:

14 13 NEW PARAGRAPH. c. Electric utilities shall
14 14 include a report of efforts made in the past year to
14 15 further the use of renewable energy in this state.

14 16 Sec. 23. ENERGY EFFICIENCY STUDIES == IOWA
14 17 UTILITIES BOARD.

14 18 1. ENERGY EFFICIENCY PLANS. The Iowa utilities
14 19 board, in cooperation with gas and electric utilities,
14 20 shall conduct a study of the energy efficiency plans
14 21 and programs offered by all gas and electric utilities
14 22 pursuant to section 476.6 to determine the status and
14 23 effectiveness of energy efficiency programs in the
14 24 state, using the most accurate and up-to-date
14 25 information available to the board during the time
14 26 period prescribed for the study. The board shall
14 27 report the results of the study, with recommendations
14 28 to use best practices to increase energy efficiency
14 29 and reduce energy consumption, to the members of the
14 30 general assembly by January 1, 2008.

14 31 2. FUTURE CONSUMER ENERGY REDUCTION PLAN. The
14 32 board shall conduct a consumer survey and study
14 33 relating to consumer knowledge of energy use and
14 34 energy efficiency, and methods for increasing such
14 35 knowledge, with the objective of reducing consumer
14 36 energy utilization. The board shall report the
14 37 results of the study to the members of the general
14 38 assembly by January 1, 2008.

14 39 DIVISION II
14 40 RENEWABLE SOURCES
14 41 SUBCHAPTER 1
14 42 GENERAL

14 43 Sec. 24. NEW SECTION. 469.101 DEFINITIONS.

14 44 As used in this chapter, unless the context
14 45 otherwise requires:

14 46 1. "Agricultural animal" means the same as defined
14 47 in section 717A.1.

14 48 2. "Biobased material" means a material in whole
14 49 or in part in which carbon is derived from a renewable
14 50 resource.

15 1 3. "Biobased product" means a product generated by
15 2 blending or assembling of one or more biobased
15 3 materials, either exclusively or in combination with
15 4 nonbiobased materials, in which the biobased material
15 5 is present as a quantifiable portion of the total mass
15 6 of the product.

15 7 4. "Biofuel" means the same as defined in section
15 8 214A.1.

15 9 5. "Biomass" means organic material that is
15 10 available on a renewable or recurring basis, including
15 11 but not limited to crops; plants, including aquatic
15 12 plants and grasses; residues; trees grown for energy
15 13 production; wood waste and wood residues; fibers;
15 14 animal wastes and other waste materials; animal fats;
15 15 and other fats, oils, and greases including recycled
15 16 fats, oils, and greases.

15 17 6. "Biorefinery" means the equipment and processes
15 18 that convert biomass into renewable fuels and
15 19 coproducts, or biobased materials and coproducts.

15 20 7. "Cellulosic biomass renewable fuel" means
15 21 renewable fuel derived from any lignocellulosic or
15 22 hemicellulosic matter that is available on a renewable

15 23 or recurring basis, including dedicated energy crops
15 24 and trees; wood and wood residues, plants, grasses, ag
15 25 residues, fiber, animal wastes and other waste
15 26 materials, refuse-derived fuel, and municipal solid
15 27 waste.

15 28 8. "Colocated biobased facility" means a business
15 29 or a processor that is located next to an existing
15 30 biorefinery in order to utilize a coproduct to
15 31 manufacture a biobased material.

15 32 9. "Crop" means the same as defined in section
15 33 717A.1.

15 34 10. "Intellectual property" means any form or type
15 35 of business, scientific, technical, or engineering
15 36 information, including patterns, plans, compilations,
15 37 programs, devices, formulas, designs, prototypes,
15 38 methods, techniques, and processes, if all of the
15 39 following apply:

15 40 a. The owner of the information has taken
15 41 reasonable measures to keep such information protected
15 42 from public disclosure.

15 43 b. The information derives independent economic
15 44 value, including actual or potential economic value,
15 45 from not being generally known or from not being
15 46 readily ascertainable by the public using proper
15 47 means.

15 48 11. a. "Renewable fuel" means a fuel that is all
15 49 of the following:

15 50 (1) A motor vehicle fuel that is any of the
16 1 following:

16 2 (a) Produced from grain; starch; oilseed;
16 3 vegetable, animal, or fish materials, including but
16 4 not limited to fats, greases, and oil; sugarcane,
16 5 sugarbeets, sugar components, tobacco, or potatoes; or
16 6 other biomass.

16 7 (b) Natural gas produced from a biogas source
16 8 including but not limited to a landfill, sewage waste
16 9 treatment plant, animal feeding operation, or other
16 10 place where decaying organic material is found.

16 11 (2) Used to replace or reduce the quantity of
16 12 fossil fuel present in a motor fuel mixture used to
16 13 operate a motor vehicle.

16 14 b. "Renewable fuel" includes cellulosic biomass
16 15 renewable fuel, waste-derived renewable fuel, and
16 16 diesel-derived from the renewable fuel portion of any
16 17 blending component.

16 18 SUBCHAPTER 2

16 19 GENERAL AUTHORIZATION == FINANCIAL INCENTIVES

16 20 Sec. 25. NEW SECTION. 469.201 STATE AGENCIES
16 21 AUTHORIZED TO PARTICIPATE IN FEDERAL BIOMASS RESEARCH
16 22 AND DEVELOPMENT PROGRAMS.

16 23 State agencies are authorized to cooperate with
16 24 federal agencies and participate in federal programs
16 25 including but not limited to programs under the
16 26 federal Biomass Research and Development Act of 2000,
16 27 7 U.S.C. } 7624, et seq., in order to provide for the
16 28 production of cost-competitive industrial products
16 29 derived from biomass, including but not limited to
16 30 renewable fuels, such as cellulosic biomass renewable
16 31 fuels or biobased materials and biobased products, and
16 32 associated agricultural or industrial coproducts which
16 33 promise to provide environmentally benign product life
16 34 cycles, promote rural economic development, and
16 35 diversify energy resources.

16 36 Sec. 26. NEW SECTION. 469.202 STATE AGENCY
16 37 AUTHORIZATION == FINANCIAL INCENTIVES.

16 38 State agencies are authorized to adopt rules to
16 39 provide for financial incentives for the research,
16 40 development, and commercialization of products derived
16 41 from biomass, including but not limited to renewable
16 42 fuel such as cellulosic biomass renewable fuel or
16 43 biobased materials and biobased products, and
16 44 associated agricultural or industrial coproducts which
16 45 promise to provide environmentally benign product life
16 46 cycles, promote rural economic development, and
16 47 diversify energy resources. The financial incentives
16 48 provided in this section include but are not limited
16 49 to innovation projects provided in subchapter 3.

16 50 SUBCHAPTER 3

17 1 SPECIAL PROJECTS

17 2 PART A

17 3 RENEWABLE FUEL AND BIOREFINERIES

17 4 Sec. 27. NEW SECTION. 469.301 INNOVATION PROJECT
17 5 FOR THE PROCESSING OF FEEDSTOCK INTO RENEWABLE FUEL.

17 6 An innovation project for the processing of
17 7 feedstock into renewable fuel is created. The
17 8 innovation project shall be administered by the
17 9 department of economic development as provided in this
17 10 section.

17 11 1. The purpose of the innovation project is to
17 12 develop and commercialize all of the following:

17 13 a. Technologies and methods necessary to
17 14 cost-effectively manufacture renewable fuel, including
17 15 but not limited to biofuel, and coproducts from
17 16 feedstocks derived from all parts of a crop by a
17 17 biorefinery. The innovation project shall at least
17 18 consider the use of corn cobs, leaves, and stover as
17 19 feedstock. The department may consider the best
17 20 methods to reduce costs associated with the complete
17 21 saccharification of cellulose and hemicellulose and to
17 22 increase sugar yields derived from that process.

17 23 b. Specialized crop varieties or hybrids to be
17 24 used as feedstocks, which maximize the energy and
17 25 coproducts value of crops produced at the lowest
17 26 possible cost, and reduce costs of processing the
17 27 associated feedstocks into renewable fuel include but
17 28 not limited to biofuel, and coproducts by a
17 29 biorefinery.

17 30 c. Equipment, including attachments to
17 31 conventional equipment, used in crop production,
17 32 including the simultaneous harvesting and separating
17 33 of different crops, including grain leaves, cobs, and
17 34 stover.

17 35 d. Equipment for the bulk loading, unloading, or
17 36 transporting of crop residue which may be used as
17 37 biomass including grain, leaves, cobs, and stover.

17 38 2. The innovation project shall develop methods
17 39 and technologies used to increase renewable fuel
17 40 production with the expansion of animal agriculture
17 41 and its reliance upon unprocessed and processed crops
17 42 and associated coproducts including distillers grain.

17 43 3. The innovation project shall be financed by
17 44 state appropriations and contributions from other
17 45 persons. The department shall not finance an
17 46 innovation project unless the department receives a
17 47 matching contribution from another source. The
17 48 department may require that the contribution be a
17 49 percentage of the financing in the form of money,
17 50 services, material, or other in-kind contributions.

18 1 4. The department shall issue requests for
18 2 proposals and select a qualified person to perform a
18 3 research contract based on the scoring of those
18 4 proposals, as required by the department.

18 5 a. The department shall execute a research
18 6 contract with one or more of the following qualified
18 7 persons selected to conduct the research:

18 8 (1) A department of an institution under the
18 9 control of the state board of regents dedicated to
18 10 researching increased renewable fuel, including but
18 11 not limited to biofuel, production and the production
18 12 of specialized crop varieties or hybrids to be used as
18 13 feedstocks. A community college or private university
18 14 or college is not precluded from participation.

18 15 (2) Any person involved in researching increased
18 16 renewable fuel including but not limited to biofuel
18 17 production or the production of specialized crop
18 18 varieties or hybrids, including a business
18 19 association, cooperative association, or nonprofit
18 20 organization.

18 21 b. A person may protect intellectual property
18 22 which is developed or results from work performed
18 23 under a research contract.

18 24 c. A project under a research contract may be a
18 25 collaborative venture by any combination of qualified
18 26 persons.

18 27 d. A research contract may provide for conducting
18 28 basic or applied research.

18 29 e. A research contract may provide for all of the
18 30 following:

18 31 (1) The demonstration of technologies and methods
18 32 necessary to cost-effectively manufacture and market
18 33 renewable fuel including but not limited to biofuel,
18 34 and coproducts. The research contract may provide for

18 35 the construction or refurbishment and operation of a
18 36 biorefinery including a pilot plant or small scale
18 37 facility.

18 38 (2) Methods to identify the genetic
18 39 characteristics of promising crops and to target novel
18 40 gene traits or incorporate those traits into crops for
18 41 use by a biorefinery. A research contract may provide
18 42 for trial production of specialized crop varieties or
18 43 hybrids to be used as feedstocks by a biorefinery.

18 44 Sec. 28. NEW SECTION. 469.302 INNOVATION PROJECT
18 45 FOR THE SUSTAINABLE PRODUCTION AND PROCESSING OF CROPS
18 46 USED AS A RENEWABLE FUEL FEEDSTOCK.

18 47 An innovation project for the sustainable
18 48 production and processing of crops used as a renewable
18 49 fuel feedstock is created. The innovation project
18 50 shall be administered by Iowa state university as
19 1 provided in this section.

19 2 1. The purpose of the innovation project is to
19 3 provide for the sustainable production and processing
19 4 of crops used as feedstocks for the production of
19 5 renewable fuel including but not limited to biofuel,
19 6 and coproducts by biorefineries, and provide for the
19 7 expansion of animal agriculture, by conserving Iowa's
19 8 land and water resources.

19 9 2. In administering the innovation project, Iowa
19 10 state university may conduct basic or applied research
19 11 and, to every extent feasible, do all of the
19 12 following:

19 13 a. Cooperate with the department of economic
19 14 development, the state university of Iowa, the
19 15 university of northern Iowa, business associations,
19 16 nonprofit organizations, and the federal government.

19 17 b. Consult with the Leopold center for sustainable
19 18 agriculture created in section 266.39; the department
19 19 of natural resources created in section 455A.2; and
19 20 the soil conservation division of the department of
19 21 agriculture and land stewardship established in
19 22 section 161A.4.

19 23 Sec. 29. NEW SECTION. 469.303 INNOVATION PROJECT
19 24 FOR THE PROCESSING OF CORN AND THE MAXIMIZED
19 25 COPRODUCTION OF DISTILLERS GRAIN SOLUBLES.

19 26 An innovation project for the processing of corn
19 27 and the maximized coproduction of distillers grain
19 28 solubles is created. The innovation project shall be
19 29 administered by the department of agriculture and land
19 30 stewardship as provided in this section.

19 31 1. The department shall seek advice from persons
19 32 designated from interested organizations, including
19 33 all of the following:

19 34 a. The department of economic development.
19 35 b. A regents institution.
19 36 c. The Iowa farm bureau federation.
19 37 d. The Iowa pork producers association.
19 38 e. The Iowa cattlemen's association.
19 39 f. The Iowa poultry association.
19 40 g. The Iowa turkey federation.
19 41 h. The Iowa corn growers association.
19 42 i. The Iowa soybean association.
19 43 j. An organization of whose membership includes
19 44 suppliers of commercial feed to agricultural animals.

19 45 k. An organization whose members include
19 46 agricultural animal nutritionists.

19 47 2. A purpose of the innovation project is to
19 48 assist biorefineries processing grain into renewable
19 49 fuel, including but not limited to biofuel, and
19 50 coproducts, by increasing the amount of high-quality
20 1 distillers grain solubles for use in formulating
20 2 rations fed to agricultural animals, especially swine,
20 3 turkeys, and poultry. The department may provide
20 4 assistance by providing for all of the following:

20 5 a. Conducting research to determine the
20 6 nutritional profiles of distillers grain solubles for
20 7 use in formulating rations fed to particular species
20 8 of agricultural animals, especially swine, turkeys,
20 9 and poultry, in order to achieve maximum performance.

20 10 This portion of the innovation project shall finance
20 11 studies involving a number of trials conducted at
20 12 designated biorefineries in this state.

20 13 (1) The studies shall be conducted by a
20 14 biorefinery in cooperation with interested persons
20 15 approved by the department, which must include an

20 16 agricultural animal nutritionist.
20 17 (2) The department shall cooperate with regents
20 18 institutions, community colleges, or private
20 19 universities or colleges, in order to provide
20 20 education to producers of animal feeding operations
20 21 regarding the innovation project and methods to
20 22 benefit from studies conducted pursuant to this
20 23 section.
20 24 b. Adopting quality management processes in order
20 25 to provide for the coproduction of distillers grain
20 26 solubles which maximize the nutritional value for use
20 27 in formulating rations according to established
20 28 standards. This portion of the innovation project
20 29 shall be financed by state appropriations and
20 30 contributions from other persons. The department may
20 31 decline to finance an innovation project unless the
20 32 department receives a matching contribution from
20 33 another person. The department may require that the
20 34 contribution be a percentage of the financing in the
20 35 form of money, services, material, or other in-kind
20 36 contributions.
20 37 3. The department may issue requests for proposals
20 38 and select qualified persons to participate in the
20 39 innovation project based on the scoring of those
20 40 proposals as required by the department.
20 41 Sec. 30. NEW SECTION. 469.304 WORKFORCE PROJECT
20 42 FOR RENEWABLE FUEL INDUSTRY TRAINING.
20 43 A workforce project for renewable fuel industry
20 44 training is created.
20 45 1. The purpose of the workforce project is to
20 46 provide for ongoing training for individuals in the
20 47 renewable fuels industry.
20 48 2. The workforce project shall be implemented as
20 49 provided in section 260C.18A, and a community college
20 50 participating in the workforce project shall account
21 1 for the workforce project as provided in that section.
21 2 The department of economic development shall submit a
21 3 report by January 15 to the general assembly. The
21 4 report shall include a description of the projects and
21 5 the moneys expended as part of the projects under this
21 6 section.
21 7 3. Unless expressly provided otherwise, moneys
21 8 appropriated to an agency including the department to
21 9 support the workforce project shall be deposited in
21 10 the workforce training and economic development funds
21 11 as provided in section 260C.18A.
21 12 Sec. 31. NEW SECTION. 469.305 INNOVATION PROJECT
21 13 FOR COMMERCIALIZATION OF ADVANCED BIOREFINERY
21 14 TECHNOLOGY.
21 15 An innovation project for commercialization of
21 16 advanced biorefinery technology is created. The
21 17 innovation project shall be administered by the
21 18 department of economic development as provided in this
21 19 section.
21 20 1. The purpose of the innovation project is to
21 21 provide for the installation of advanced technology at
21 22 a biorefinery in order to maximize the processing of
21 23 biomass into renewable fuel including but not limited
21 24 to biofuel, and coproducts.
21 25 a. The installation of the advanced technology
21 26 shall be used to demonstrate its development as a
21 27 commercially feasible alternative to conventional
21 28 technology used by biorefineries.
21 29 b. The advanced technology may address methods to
21 30 maximize the value of feedstocks used to manufacture
21 31 renewable fuel, including but not limited to biofuel
21 32 or coproducts, reduce costs associated with
21 33 production, or minimize the effect upon natural
21 34 resources, including water resources, used in
21 35 production. Any method developed to enhance soil and
21 36 water conservation shall be made available to
21 37 interested persons including but not limited to soil
21 38 and water conservation districts.
21 39 2. The department may issue requests for proposals
21 40 and select qualified persons to participate in the
21 41 innovation project based on the scoring of those
21 42 proposals as required by the department.
21 43 3. An innovation project shall be financed by
21 44 state appropriations and contributions from other
21 45 persons. The department may require as a condition to
21 46 financing that it receive a contribution from another

21 47 person. The department may require that the
21 48 contribution be in the form of money, services,
21 49 material, or other in-kind contributions.

21 50 PART B

22 1 AGRICULTURAL == BIOREFINING INITIATIVE
22 2 Sec. 32. NEW SECTION. 469.308 INNOVATION PROJECT
22 3 FOR AGRICULTURAL=BIOMANUFACTURING.

22 4 An innovation project for agricultural=biorefining
22 5 is created. The innovation project shall be
22 6 administered by Iowa state university.

22 7 1. The purpose of the innovation project is to
22 8 provide a synergetic approach to carry out all of the
22 9 following:

22 10 a. The conservation or enhancement of soil and
22 11 water resources required for agricultural production
22 12 and maximize the production of crops for animal
22 13 agriculture and biomanufacturing.

22 14 b. The development or improvement of quality
22 15 management processes used in biorefining, including
22 16 but not limited to improving efficiencies in the use
22 17 of resources including feedstocks and water resources.

22 18 2. In carrying out the purpose of the innovation
22 19 project, the university may develop all of the
22 20 following:

22 21 a. Technologies and methods which simultaneously
22 22 maximize the value of crops used as feedstock in
22 23 biomanufacturing products and coproducts.

22 24 b. Genetic characteristics in crops and
22 25 agricultural animals which simultaneously maximize
22 26 agricultural production and increase efficiencies in
22 27 biomanufacturing products and coproducts.

22 28 c. Agricultural practices and biomanufacturing
22 29 processes which enhance Iowa's natural resources while
22 30 ensuring that the state is competitively viable in
22 31 both the production of agricultural animals and
22 32 biomanufacturing.

22 33 PART C
22 34 REPORTING

22 35 Sec. 33. NEW SECTION. 469.311 REPORT.

22 36 By January 15 of each year, the department of
22 37 economic development, in cooperation with Iowa state
22 38 university and the department of agriculture and land
22 39 stewardship, shall submit a report regarding projects
22 40 provided for in this subchapter.

22 41 SUBCHAPTER IV

22 42 RENEWABLE ENERGY PHYSICAL INFRASTRUCTURE

22 43 Sec. 34. NEW SECTION. 469.401 DEFINITIONS.

22 44 As used in this subchapter, unless the context
22 45 otherwise requires:

22 46 1. "Department" means the Iowa department of
22 47 economic development created in section 15.105.

22 48 2. "Renewable energy" means energy sources
22 49 including but not limited to wind turbine, solar,
22 50 waste management, refuse-derived fuel, hydroelectric,
23 1 agricultural crops or residues, and woodburning.

23 2 3. "Renewable energy physical infrastructure
23 3 development or redevelopment projects" means projects
23 4 relating to construction or creation of physical
23 5 infrastructure necessary for advanced manufacturing
23 6 projects which the department determines contribute,
23 7 in whole or in part, to the support and advancement of
23 8 or partnering with renewable energy initiatives in
23 9 this state.

23 10 Sec. 35. NEW SECTION. 469.402 RENEWABLE ENERGY
23 11 PHYSICAL INFRASTRUCTURE FINANCIAL ASSISTANCE PROGRAM.

23 12 1. The department shall establish a renewable
23 13 energy physical infrastructure financial assistance
23 14 program to provide financial assistance for renewable
23 15 energy physical infrastructure development or
23 16 redevelopment projects in this state. Renewable
23 17 energy physical infrastructure development or
23 18 redevelopment projects that create the necessary
23 19 infrastructure for renewable energy throughout the
23 20 state, that provide the opportunity for the creation
23 21 of quality, high-wage jobs, and that involve
23 22 substantial capital investment are eligible for
23 23 financial assistance under the program if the projects
23 24 could not be assisted through or would not be eligible
23 25 for financial assistance from other existing private,
23 26 local, or state funds or programs.

23 27 2. The department shall by rule establish

23 28 procedures and guidelines for the program, including
23 29 application forms and award criteria, and shall
23 30 coordinate distributions from the renewable energy
23 31 physical infrastructure financial assistance program
23 32 fund established in section 469.403. In establishing
23 33 the procedures and guidelines, the department shall
23 34 consult with the department of agriculture and land
23 35 stewardship, the department of natural resources, the
23 36 utilities board, and any other appropriate state
23 37 agency responsible for the development or
23 38 redevelopment of renewable energy physical
23 39 infrastructure in this state to ensure that activities
23 40 conducted pursuant to this section are consistent with
23 41 the policies and plans of other state agencies and are
23 42 coordinated with other renewable energy physical
23 43 infrastructure projects.

23 44 Sec. 36. NEW SECTION. 469.403 RENEWABLE ENERGY
23 45 PHYSICAL INFRASTRUCTURE FINANCIAL ASSISTANCE PROGRAM
23 46 == FUND ESTABLISHED.

23 47 1. A renewable energy physical infrastructure
23 48 financial assistance program fund is established in
23 49 the state treasury under the control of the
23 50 department. The fund shall consist of appropriations
24 1 made to the fund and other moneys available to and
24 2 obtained or accepted by the department from federal or
24 3 private sources to the credit of the fund.
24 4 Notwithstanding section 12C.7, subsection 2, interest
24 5 or earnings on moneys in the fund shall be credited to
24 6 the fund.

24 7 2. Moneys available in the fund for a fiscal year
24 8 are appropriated to the department to be used for the
24 9 purpose of providing financial assistance under
24 10 section 469.402, in the form of grants, loans,
24 11 forgivable loans, guaranteed loans, cost-sharing,
24 12 indemnification of costs, or any combination of
24 13 financial assistance deemed by the department to be
24 14 most efficient in facilitating a renewable energy
24 15 physical infrastructure project.

24 16 3. In administering the fund, the department may
24 17 enter into contracts and sue or be sued, but shall not
24 18 in any manner directly or indirectly pledge the credit
24 19 of the state. The department may authorize payment of
24 20 costs, commissions, attorney fees, consultant fees,
24 21 and other reasonable expenses from the fund. Expenses
24 22 may include costs relating to carrying out the duties
24 23 necessary for insuring or guaranteeing loans,
24 24 cost-sharing or indemnifying costs under the program, and
24 25 the recovery of loans insured or guaranteed or costs
24 26 cost-shared or indemnified, or the management of property
24 27 acquired in connection with such grants, loans, or
24 28 costs.

24 29 4. Notwithstanding section 8.33, moneys in the
24 30 fund shall not revert.

24 31 DIVISION III
24 32 TAX PROVISIONS

24 33 Sec. 37. Section 15.335, subsection 1, unnumbered
24 34 paragraph 1, Code 2007, is amended to read as follows:

24 35 An eligible business may claim a corporate tax
24 36 credit for increasing research activities in this
24 37 state during the period the eligible business is
24 38 participating in the program. For purposes of this
24 39 section, "research activities" includes the
24 40 development and deployment of innovative renewable
24 41 energy generation components manufactured or assembled
24 42 in this state. For purposes of this section,
24 43 "innovative renewable energy generation components"
24 44 does not include a component with more than two
24 45 hundred megawatts of installed effective nameplate
24 46 capacity. The tax credits for innovative renewable
24 47 energy generation components shall not exceed ~~one~~ five
24 48 million dollars.

24 49 Sec. 38. Section 422.10, subsection 3, Code 2007,
24 50 is amended by adding the following new unnumbered
25 1 paragraph:

25 2 NEW UNNUMBERED PARAGRAPH. For purposes of this
25 3 section, "research activities" means activities
25 4 including but not limited to the development and
25 5 deployment of innovative renewable energy generation
25 6 components manufactured or assembled in this state.

25 7 Sec. 39. Section 422.33, subsection 5, Code 2007,
25 8 is amended by adding the following new paragraph:

25 9 NEW PARAGRAPH. h. For purposes of this
25 10 subsection, "research activities" includes but is not
25 11 limited to the development and deployment of
25 12 innovative renewable energy generation components
25 13 manufactured or assembled in this state.

25 14 DIVISION IV
25 15 MISCELLANEOUS

25 16 Sec. 40. NEW SECTION. 214A.2B LABORATORY FOR
25 17 MOTOR FUEL AND BIOFUEL.

25 18 A laboratory for motor fuel and biofuel is
25 19 established at Iowa central community college. The
25 20 laboratory shall conduct testing of motor fuel sold in
25 21 this state and biofuel which is blended in motor fuel
25 22 in this state to ensure that the motor fuel or biofuel
25 23 meets the requirements of section 214A.2.

25 24 Sec. 41. Section 15G.201, unnumbered paragraph 1,
25 25 Code 2007, is amended to read as follows:

25 26 As used in this ~~subchapter part~~, unless the context
25 27 otherwise requires:

25 28 Sec. 42. NEW SECTION. 15G.203A BIODIESEL
25 29 INFRASTRUCTURE PROGRAM FOR PRIVATE USE MOTOR FUEL
25 30 SITES.

25 31 The department under the direction of the renewable
25 32 fuel infrastructure board shall establish and
25 33 administer a biodiesel infrastructure program for
25 34 private use motor fuel sites.

25 35 1. The purpose of the program is to improve a site
25 36 other than a retail motor fuel site as provided in
25 37 section 15G.203 or a biodiesel terminal facility as
25 38 provided in section 15G.204, where motor fuel is used
25 39 for the purpose of storing and dispensing the motor
25 40 fuel for the person's sole use. The improvements
25 41 shall be by installing, replacing, or converting motor
25 42 fuel storage and dispensing infrastructure. The
25 43 infrastructure must be designed and shall be used
25 44 exclusively to store and dispense biodiesel or
25 45 biodiesel blended fuel on the premises of the site.

25 46 2. A person may apply to the department to receive
25 47 financial incentives and the department shall process
25 48 the application in the same manner as provided in
25 49 section 15G.203.

25 50 3. To all extent practical, the program shall be
26 1 administered in conjunction with the programs provided
26 2 in section 15.401.

26 3 4. The infrastructure board shall approve
26 4 cost-share agreements executed by the department and
26 5 persons that the infrastructure board determines are
26 6 eligible as provided in this section, according to
26 7 terms and conditions required by the infrastructure
26 8 board. The infrastructure board shall determine the
26 9 amount of the financial incentives to be awarded to a
26 10 person participating in the program. In order to be
26 11 eligible to participate in the program all of the
26 12 following must apply:

26 13 a. The person must be an owner or operator of the
26 14 private use motor fuel site.

26 15 b. At the time that the application is filed with
26 16 the department and at the time that the board approves
26 17 a cost-share agreement with the person, the private
26 18 use motor fuel site must be used to store and dispense
26 19 diesel fuel subject to imposition of the excise tax as
26 20 provided in section 452A.3.

26 21 c. The person must apply to the department in a
26 22 manner and according to procedures required by the
26 23 infrastructure board. The application must contain
26 24 all information required by the infrastructure board
26 25 and shall at least include all of the following:

26 26 (1) The name of the person and the address of the
26 27 private use motor fuel site to be improved.

26 28 (2) A detailed description of the infrastructure
26 29 to be installed, replaced, or converted, including but
26 30 not limited to the model number of each installed,
26 31 replaced, or converted motor fuel storage tank if
26 32 available.

26 33 (3) A statement describing how the private use
26 34 motor fuel site is to be improved, the total estimated
26 35 cost of the planned improvement, and the date when the
26 36 infrastructure will be first used to store and
26 37 dispense biodiesel or biodiesel blended fuel.

26 38 (4) A statement certifying that the infrastructure
26 39 shall not be used to store or dispense motor fuel

other than biodiesel or biodiesel blended fuel, unless granted a waiver by the infrastructure board pursuant to this section.

5. A private use motor fuel site which is improved using financial incentives must comply with federal and state standards governing new or upgraded motor fuel storage tanks used to store and dispense biodiesel or biodiesel blended fuel. A site classified as a no further action site pursuant to a certificate issued by the department of natural resources under section 455B.474 shall retain its classification following modifications necessary to store and dispense biodiesel or biodiesel blended fuel and the owner or operator shall not be required to perform a new site assessment unless a new release occurs or if a previously unknown or unforeseen risk condition should arise.

6. The infrastructure board shall not approve a cost-share agreement which awards financial incentives to install, replace, or convert infrastructure associated with more than one motor fuel storage tank located at the same private use motor fuel site.

7. An award of financial incentives to a participating person shall be in the form of a grant.

a. In order to participate in the program an eligible person must execute a cost-share agreement with the department as approved by the infrastructure board in which the person contributes a percentage of the total costs related to improving the private use motor fuel site.

b. The financial incentives awarded to the participating person shall not exceed fifty percent of the actual cost of making the improvement or thirty thousand dollars, whichever is less. The infrastructure board may approve multiple awards to make improvements to a private use motor fuel site so long as the total amount of the awards does not exceed the limitations provided in this paragraph.

8. A participating person shall not use the infrastructure to store and dispense motor fuel other than biodiesel or biodiesel blended fuel, unless one of the following applies:

a. The participating person is granted a waiver by the infrastructure board. The participating person shall store or dispense the motor fuel according to the terms and conditions of the waiver.

b. The infrastructure fund is immediately repaid the total amount of moneys awarded to the participating person together with a monetary penalty equal to twenty-five percent of that awarded amount.

9. A participating person who acts in violation of an agreement executed with the department pursuant to this section is subject to a civil penalty of not more than one thousand dollars a day for each day of the violation. The civil penalty shall be deposited into the general fund of the state.

Sec. 43. Section 15G.205, subsection 3, Code 2007, is amended to read as follows:

3. Moneys in the renewable fuel infrastructure fund are appropriated to the department exclusively to support the renewable fuel infrastructure programs as provided in sections 15G.203, 15G.203A, and 15G.204, as allocated in financial incentives by the renewable fuel infrastructure board as created in section 15G.202. Up to fifty thousand dollars shall be allocated each fiscal year to the department to support the administration of the programs. Otherwise the moneys shall not be transferred, used, obligated, appropriated, or otherwise encumbered except to allocate as financial incentives under the programs.

Sec. 44. BIORENEWABLE FUELS LABORATORY AND RESEARCH STAFF. Iowa state university may plan, design, and construct a new biorenewable fuels laboratory and employ additional staff with expertise necessary in order to carry out the purposes of section 469.308, as enacted in this Act.

Sec. 45. EFFECTIVE AND RETROACTIVE APPLICABILITY DATES. This Act, being deemed of immediate importance, takes effect upon enactment.> The sections of this Act, amending sections 15.335, 422.10, and 422.33 are retroactively applicable to January 1,

28 21 2007.>
28 22 [#2.](#) Title page, by striking lines 3 and 4 and
28 23 inserting the following: <changes consistent with
28 24 energy efficiency and renewable sources of materials,
28 25 products, and energy, associated taxes, and including
28 26 retroactive applicability and effective dates.>
28 27
28 28
28 29
28 30 COMMITTEE ON ECONOMIC GROWTH,
28 31 THOMAS of Clayton, CHAIRPERSON
28 32 HF 498.706 82
28 33 rn/gg/8800